

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 91-381-C - ORDER NO. 91-934
OCTOBER 29, 1991

IN RE: Application of Telenational Communications) ORDER
Limited Partnership for a Certificate of) GRANTING
Public Convenience and Necessity.) CERTIFICATE

This matter is before the Public Service Commission of South Carolina (the Commission) by way of the Application of Telenational Communications Limited Partnership (TCLP) requesting a Certificate of Public Convenience and Necessity authorizing it to operate as a reseller of telecommunications services in the State of South Carolina. TCLP's Application was filed pursuant to S.C. Code Ann. §58-9-280 (Supp. 1990) and the Regulations of the Public Service Commission of South Carolina.

The Commission's Executive Director instructed TCLP to publish a prepared Notice of Filing in newspapers of general circulation in the affected areas one time. The purpose of the Notice of Filing was to inform interested parties of TCLP's Application and the manner and time in which to file the appropriate pleadings for participation in the proceeding. TCLP complied with this instruction and provided the Commission with proof of publication of the Notice of Filing. Petitions to Intervene were filed by Southern Bell Telephone & Telegraph

Company (Southern Bell) and the South Carolina Department of Consumer Affairs (the Consumer Advocate).

A hearing was commenced on Tuesday, October 15, 1991 at 12:30 p.m. in the Commission's Hearing Room. The Honorable Marjorie Amos-Frazier presided. George O. Rebensdorf, General Counsel of TCLP appeared for TCLP. Carl F. McIntosh, Esquire, represented the Consumer Advocate; Caroline Watson, Esquire, represented Southern Bell; and F. David Butler, Staff Counsel, represented the Commission Staff.

At the beginning of the hearing, Southern Bell introduced a stipulation between Southern Bell and TCLP which stated that TCLP agreed not to complete intraLATA calls, and if intraLATA calls were inadvertently completed TCLP would reimburse Southern Bell. Hearing Exhibit 1. In addition, the Company and Southern Bell orally agreed that TCLP does not currently and has no future plans to resell such services generally described as "a virtual private network offering" which utilize the capacity and software technology of a switched network to enable customers to serve what are essentially private network services. Such service is currently offered by AT&T as "Software Defined Network," by M.C.I. as "V-Net," and by U.S. Sprint as "Virtual Private Network." See also, Hearing Exhibit 2. Based upon these stipulations, Southern Bell did not actively participate in the hearing.

TCLP presented the testimony of George O. Rebensdorf in support of its application. Mr. Rebensdorf explained TCLP's request for certification to operate as a reseller of

interexchange telecommunications services in South Carolina. Rebensdorf explained that the Company wished to resell interLATA long distance services to business customers. He outlined TCLP's financial qualifications, background, and technical capabilities. Rebensdorf explained that public convenience and necessity required issuance of TCLP's requested certificate, particularly because it provides customized billing and individualized customer service. TCLP is not an Alternate Operator Service (AOS).

After full consideration of the applicable law and of the evidence presented by TCLP, the Consumer Advocate, Southern Bell and the Commission Staff, the Commission hereby issues its findings of fact and conclusions of law.

FINDINGS OF FACT

1. TCLP is a limited partnership under the laws of the State of Nebraska.
2. TCLP operates as a reseller of long distance telecommunications.
3. TCLP has the experience, capability, and financial resources to provide the services as described in its application.
4. The Applicant and Southern Bell have entered into certain stipulations as hereinabove stated. The Commission hereby adopts these stipulations.

CONCLUSIONS OF LAW

1. Based on the above findings of fact, the Commission determines that a certificate of public convenience and necessity should be granted to TCLP to provide intrastate, interLATA service

through the resale of intrastate Wide Area Telecommunications Services (WATS), Message Telecommunications Service (MTS), Foreign Exchange Service, Private Line Services, or any other services authorized for resale by tariffs of facility-based carriers approved by the Commission, except as agreed to in the stipulations of the parties.

2. If TCLP incidentally or accidentally completes any intraLATA calls, the LEC shall be compensated by TCLP as ordered by the Commission in Order No. 86-793, issued August 5, 1986, in Docket No. 86-187-C.

3. The Commission adopts a rate design for TCLP for its resale services which includes only maximum rate levels for each tariff charge. A rate structure incorporating maximum rate level with the flexibility for adjustment below the maximum rate levels has been previously adopted by the Commission. In Re: Application of GTE Sprint Communication Corporation etc., Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984). The Commission adopts TCLP's proposed maximum rate tariffs.

4. TCLP shall not adjust its rates below the approved maximum level without notice to the Commission and to the public. TCLP shall file its proposed rate changes, publish its notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. Any proposed increase in the maximum rate level reflected in the tariff which would be applicable to the general body of TCLP's subscribers shall constitute a general ratemaking proceeding

and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. §58-9-540 (Supp. 1990).

5. TCLP shall file its tariff and an accompanying price list to reflect the Commission's findings within thirty (30) days of the date of this Order.


6. TCLP is subject to access charges pursuant to Commission Order No. 86-584, in which the Commission determined that for access purposes resellers should be treated similarly to facilities-based interexchange carriers.

7. With regard to its resale services, an end user should be able to access another interexchange carrier or operator service provider if they so desire.

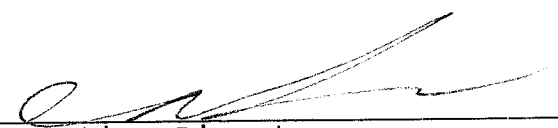
8. TCLP shall file surveillance reports on a calendar or fiscal year basis with the Commission as required by Order No. 88-178 in Docket No. 87-483-C. The proper form for these reports is indicated on Attachment A.

9. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Deputy Executive Director

(SEAL)

ANNUAL INFORMATION ON SOUTH CAROLINA OPERATIONS

FOR INTEREXCHANGE COMPANIES AND AOS'S

(1) SOUTH CAROLINA OPERATING REVENUES FOR THE 12 MONTHS ENDING DECEMBER 31 OR FISCAL YEAR ENDING _____.

(2) SOUTH CAROLINA OPERATING EXPENSES FOR THE 12 MONTHS ENDING DECEMBER 31 OR FISCAL YEAR ENDING _____.

(3) RATE BASE INVESTMENT IN SOUTH CAROLINA OPERATIONS* FOR 12 MONTHS ENDING DECEMBER 31 OR FISCAL YEAR ENDING _____.

*THIS WOULD INCLUDE GROSS PLANT, ACCUMULATED DEPRECIATION, MATERIALS AND SUPPLIES, CASH WORKING CAPITAL, CONSTRUCTION WORK IN PROGRESS, ACCUMULATED DEFERRED INCOME TAX, CONTRIBUTIONS IN AID OF CONSTRUCTION AND CUSTOMER DEPOSITS.

(4) PARENT'S CAPITAL STRUCTURE* AT DECEMBER 31 OR FISCAL YEAR ENDING _____.

*THIS WOULD INCLUDE ALL LONG TERM DEBT (NOT THE CURRENT PORTION PAYABLE), PREFERRED STOCK AND COMMON EQUITY.

(5) PARENT'S EMBEDDED COST PERCENTAGE (%) FOR LONG TERM DEBT AND EMBEDDED COST PERCENTAGE (%) FOR PREFERRED STOCK AT YEAR ENDING DECEMBER 31 OR FISCAL YEAR ENDING _____.

(6) ALL DETAILS ON THE ALLOCATION METHOD USED TO DETERMINE THE AMOUNT OF EXPENSES ALLOCATED TO SOUTH CAROLINA OPERATIONS AS WELL AS METHOD OF ALLOCATION OF COMPANY'S RATE BASE INVESTMENT (SEE #3 ABOVE).